

THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed	_____ Not Offered	_____ Withdrawn

HEARING DIVISION PROPOSED AMENDMENT #1

DATE PREPARED: March 22, 2005

COMPANY: Arizona Public Service Co.

AGENDA ITEM NO.: U-1

DOCKET NO.: E-01345A-03-0437

OPEN MEETING DATE: March 24 and 28, 2005

Page 28, Line 7:

INSERT:

“Testimony was offered at the hearing that there was an inadvertent omission in Appendix J to the Settlement Agreement for Rate E-32-TOU in that the delivery-related demand charge for Rate E-32-TOU should have been reduced after the first 100 kW of demand for residual off-peak demand¹ and that the initial rate block for residual off-peak delivery should be applied only to the first 100 kW of combined on-peak and residual off-peak demand. We will, therefore, direct APS to modify Rate E-32-TOU in accordance with these changes in its compliance filings.”

¹ Instead of remaining at the initial level of \$7.722 per kW-month, after the first 100 kW of demand, the unbundled residual off-peak demand charge for delivery at Secondary voltage will be reduced to \$3.497; after the first 100 kW of demand, the unbundled residual off-peak demand charge for delivery at Primary voltage will be reduced to \$2.877, with both of these changes incorporated into the bundled rate as well.